

**SAM – FINANCED ACQUISITIONS**  
**GS \$Mart**

**INSTALLMENT PURCHASES**

**3420**

(Revised 8/2014)

For the purpose of financing purchases, California government entities are permitted to use the Department of General Services' (DGS) Golden State Financial (\$) Marketplace (GS \$Mart, pronounced "G S Smart") to enter into installment purchase agreements (commonly referred to in the industry as "lease purchases"). Installment Purchases must be structured to comply with Internal Revenue Service (IRS) tax code. Approved lenders, financing plans, and tax-exempt rates (which are usually less costly than commercial lending rates and financed leases) are listed on the [GS \\$Mart](#) Internet site.

Certain budgetary conditions defined by the Department of Finance ([DOF](#)) apply to the use of the GS \$Mart program. Advanced DOF approval will be required on all transactions \$10 million and over, and may be required for other transactions. Contact a SFM representative prior to initiating a purchase that involves financing or prior to initiating an assignment of an installment purchase that was financed using the GS \$Mart program.